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MINISTRY OF STEEL, MINES &amp; FUEL

(Department of Iron &amp; Steel)

RESOLUTION

STEEL RETENTION PRICES

*New Delhi, the 10th November 1960*

No. SC(C)-2(71)/60.—In their Resolution No. SC(A)-2(149)/55, dated the 1st February, 1956, the Government of India had stated that if, as a result of changes in railway freight, changes in statutory prices of coal and other fuel, raw materials, stores or machinery and changes in labour costs caused by labour legislation or adjudication or conciliation awards, the manufacturing costs of Tata Iron and Steel Company and Indian Iron and Steel Company altered from the 1954-55 level the Companies might represent in the matter and Government would consider all such representations on merits.

2. On representations by Tata Iron and Steel Company and Indian Iron and Steel Company claiming increases in their costs, the Government of India referred for examination to the Cost Accounts Branch of the Ministry of Finance the question whether any benefit should be given to the two companies in conformity with the provisions of the Resolution of 1st February, 1956. Consideration of the report of the Cost Accounts Branch shows that the increases on admissible items of costs under the escalator clause will result in an increase of Rs. 2.85 per ton in the average retention price payable to the two steel companies for the five year period from 1st April, 1955 to 31st March, 1960.

3. In their Resolution No. SC(A)-2(301)/58/C dated the 10th November, 1959, the Government of India while increasing the average retention price by Rs. 5 per ton, had stated that the question of admitting increases in labour costs due to negotiated settlements would be examined separately. The Government have now carefully considered the question and have decided that the increases in labour costs due to negotiated settlements with labour will be admitted. This will mean an increase of Rs. 2 per ton in the average retention price for the 5 year period 1955-56 to 1959-60.

4. In view of paras 2 and 3 above, Government have now decided that the average retention price for steel payable to both the companies, Tata Iron and Steel Company and Indian Iron and Steel Company be increased by Rs. 4.85 per ton for the 5 year period 1955-56 to 1959-60. This will be the final adjustment under the escalator clause for the five year price period ending 31st March, 1960.

5. The increase mentioned above will enable the Tata Iron and Steel Company to increase the contribution to its Development Fund by Rs. 2.22 per ton, i.e., to the level of Rs. 52.22 per ton for the period 1955-56 to 1959-60 and the Indian Iron and Steel Company to maintain its contribution of Rs. 7 per ton for the same period.

ORDER

Ordered that a copy of this Resolution be communicated to all concerned and that it be published in the Gazette of India Extraordinary.

S. BHOOHALINGAM, Secy.

( 1051 )

